

2017 SESSION

ASSOCIATED INDUSTRIES OF FLORIDA



During the Legislative Session, we are proud to stand up for the issues relevant to our members and work to create a business-friendly climate to benefit our state.



PRIORITIES

The Voice of Florida Business Since 1920



AIF is the collective voice of businesses from the Panhandle to the Keys and involved in a multitude of industries that fuel our economy. During the 2017 Legislative Session, we are proud to continue the fight to protect Florida’s job creators. Each year, Florida’s business community faces a variety of tough issues, and this year will be no exception. This publication highlights our legislative priorities for 2017, which will be distributed to all 160 members of the Florida Legislature, the Florida Cabinet and Agency Secretaries, as well as AIF Members.

Last year, we saw a 14.5% increase in worker’s compensation rates due to a decision by the Florida Supreme Court, relating to attorney’s fees. AIF immediately put together the Workers’ Compensation Strategic Task Force, comprised of some of Florida’s most respected businesses and business advocates to address the increase. After months of stakeholders’ meetings and town halls held around the state, the Task Force submitted their recommendations to the Florida Legislature on how to lower these increasing costs on businesses.

AIF stands ready to lead the business community in opposing legislation that would make it more expensive for businesses to operate in our state. One such piece of legislation that is being pushed by the trial bar deals with prejudgment interest. This legislation is a top priority on our “must kill” list.

Additionally, we will see numerous legislative proposals that revolve around Governor Rick Scott’s \$83.5 billion budget proposal for FY 2017-18. His proposed spending plan, which includes \$618 million in tax cuts and \$85 million for economic incentives to businesses, will go a long way in continuing to help our state achieve the prosperity and growth our Florida families deserve. From the proposed business rent tax reduction by \$454 million, to the corporate income tax exemption, to the increase in the number of sales tax holidays, Governor Scott is clearly on a mission to ensure Florida job creators are excelling and that Florida families are benefitting from a pro-business environment in their home state.

AIF will also be actively engaged in fighting to preserve the insurance-premium-tax-salary credit. Removal of this credit will create the largest Florida tax hike in many years when premium tax collections from insurers in this state increase by \$297.3 million. Florida is one of only a few states that has two separate taxes for insurers—a corporate income tax paid by all businesses and a second, punitive tax on the insurance premiums paid by Floridians.

This year, Florida leaders have an opportunity to elevate the state and make it the gold standard for 49 other states by adopting a budget that includes a pro-growth, pro-jobs tax cut agenda. One billion dollars in tax cuts will help accelerate job growth and prosperity for our state.

AIF congratulates Governor Scott and the Florida Legislature on making Florida one of the best places to do business in the United States.

These important issues, as well as others, are laid out in greater detail within this publication. We have summarized the guiding principles which shape AIF’s legislative positions—positions that AIF’s lobby team will work diligently to support, in collaboration with AIF staff and Board. Since 1920, it has been our privilege to represent Florida businesses, and we look forward to continuing our history of success in 2017.



Tom C. Feeney

President & Chief Executive Officer

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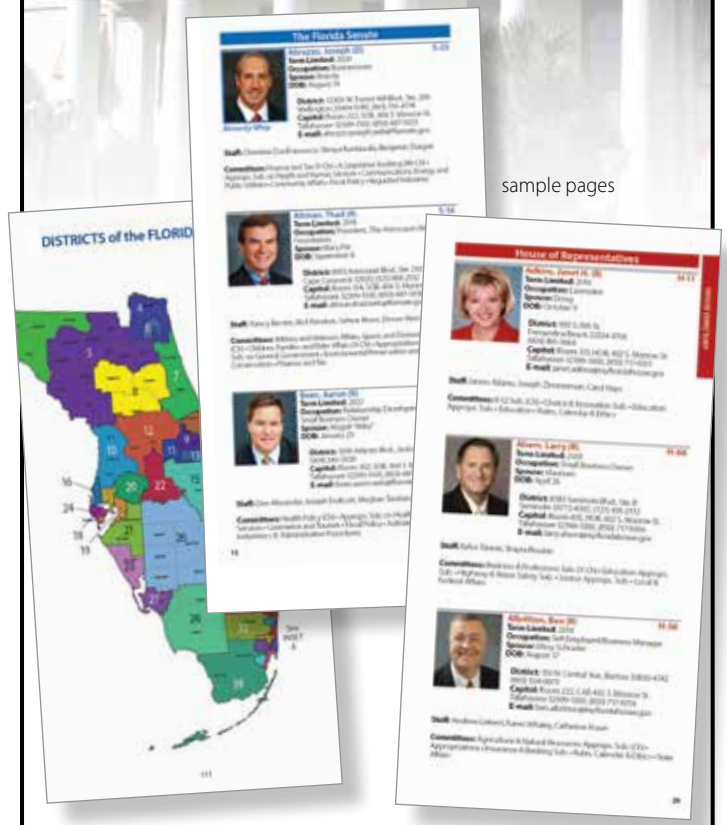
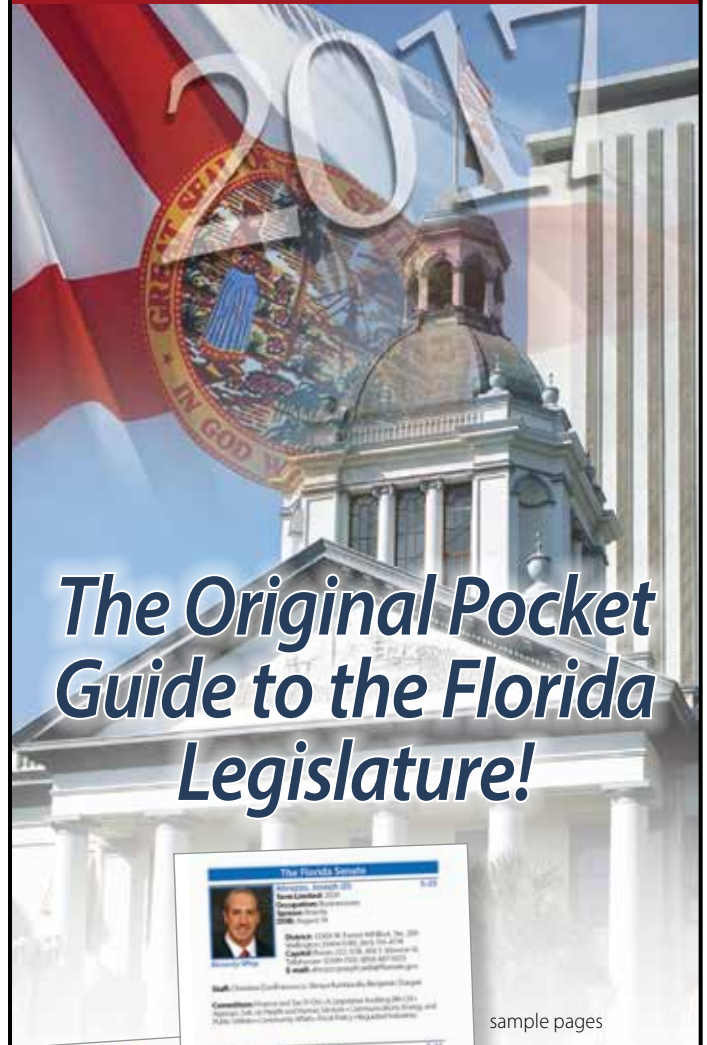


Vision & Mission of AIF

To be the preeminent organization in creating and fostering an economic climate in Florida conducive to the growth, development and welfare of industry and business and the people of Florida.

To advance economic prosperity in Florida through lobbying, political activity, public communications and other means by effecting state public policies established by AIF Councils in accordance with AIF procedures.

2017 Know Your Legislators



sample pages

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Economic Development

Incentive Reform

States are constantly competing for high wage jobs and Florida must ensure its incentive programs are structured in a manner that maximizes our opportunity to attract these jobs. **AIF SUPPORTS** removing the individual company cap on Qualified Target Industry and Qualified Defense Contractor Tax Refund Programs.

Florida's Innovation Incentive Program fund was once only used for large-scale projects in which the ability to react quickly wasn't a major driver in completing a deal. More recently, Innovation Incentive projects vary and the state's ability to respond quickly is a key component for our competitiveness. For this reason, **AIF SUPPORTS** reforms to close deals more promptly and make the Innovation Incentive Program approval process mirror that of the Quick Action Closing Fund.

Furthermore, during this session, agencies are at risk of completely losing all incentives that help create business here in Florida. Legislation to defund agencies like VISIT FLORIDA and Enterprise Florida. Eliminating these two agencies would not just put a dent in the business climate the Governor has created, it would severely crush the business opportunities this state has been able to cultivate because of the hard work that has gone into making Florida the No. 1 destination for job creation. **AIF OPPOSES** removing agency incentives as it would result in an economic downturn for Florida.

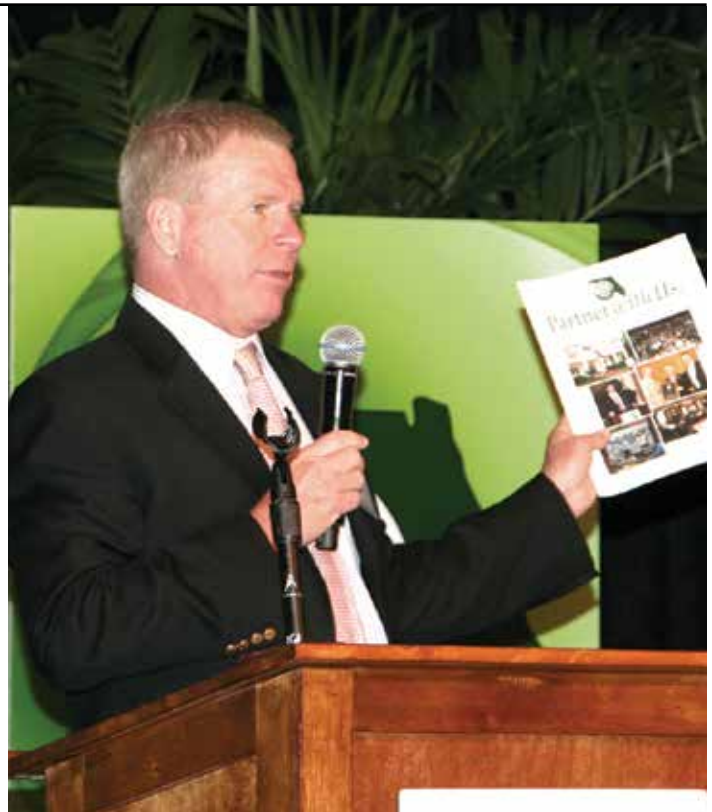
Existing Pari-Mutuel Industry

AIF strongly encourages the Legislature to consider their effect on the state's pari-mutuel industry. These long-standing members of the Florida business community provide tens of thousands of jobs around the state. Pari-mutuels should be given the ability to compete in order to provide the best entertainment value possible, including Class III gaming, as long as the local county or municipality approves such action.

AIF SUPPORTS the Legislature keeping the Pari-mutuel industry and its impact on Florida's economy in focus when considering integrated resorts or other expanded gambling activities.

Public Notice

To promote greater transparency in government, protect due process rights and to acknowledge the "digital



AIF President & CEO Tom Feeney addresses a group of AIF members on important business issues.

divide," **AIF SUPPORTS** requirements that public notices be printed in local newspapers as defined by Chapter 50, Florida Statutes, as well as displayed on the Internet.

Immigration Reform

AIF recognizes that immigration reform is an important issue for our state, but contends it should be dealt with at the federal level. **AIF OPPOSES** efforts to mandate the use of the E-Verify system by employers.

Mandating E-Verify would have a negative effect on employers, especially those small business owners who do not have full-fledged human resource departments. In addition, fears of racial profiling could make it harder for businesses to recruit employees and could harm Florida's tourism industry.

Education & Workforce

Florida's economic competitiveness is based largely on creating and continuing to promote the most skilled workforce in the nation. AIF has been at the forefront of education reform efforts for many years because a world-class workforce is a major component of job creation.

Creating more jobs in the state has been, and will continue to be, a major focus for AIF and the business community. Improving our workforce through education reforms will be a key ingredient to job creation and also ensures businesses will continue to establish in Florida.

Early Learning

Early learning is facilitated by a vibrant industry filled with dedicated individuals who recognize its significance in the continuum of education. There is a direct correlation between the quality of early learning programs, third grade reading proficiency, and higher graduation rates; all of which lead to a well-educated workforce. If Florida can enroll more children into quality educational programs at a younger age, our state will see a measurable benefit. **AIF SUPPORTS** a uniform system of regulation for health and safety standards for all early learning providers accepting taxpayer dollars. A uniform system of regulation should also apply to the allocation of additional resources necessary to support providers that are committed to improving education quality.

Access to Technology and Innovative Learning

To fulfill the promises of virtual and online learning, **AIF SUPPORTS** removing all barriers for accessing all forms of innovative, technology-driven education. Online learning is growing at over 30% per year and is projected to account for 50% of all high school classes by 2020. Our schools must innovate or they will suffocate. Staying the same means falling behind.

AIF SUPPORTS:

- eliminating artificial enrollment caps that prevent access to high-quality virtual and online education opportunities for all students.
- allowing open enrollment policies for students to have access to the best and most appropriate individual learning environments, regardless of where they live.
- removing barriers that inhibit high-performing online schools—both public and private—from expanding.
- offering flexibility in funding for instructional materials and tighter alignment with virtual and blended learning models.
- providing infrastructure, bandwidth and mobile devices through a Digital Learning Initiative to equip all Florida students with access to quality, digital learning opportunities.

Choices that Work for Individual Students

Students learn differently and instruction must be customized to meet their individual needs. Florida's families know what works best for their children.

AIF SUPPORTS:

- funding for capital outlay for public charter schools.
- removing artificial enrollment caps that prevent public charter schools from meeting the demand of students on waiting lists.
- restricting authority of school districts from imposing additional regulatory burdens on public charter schools.
- changing formulas to require that funding follows the individual student.

Competition that Drives Improved Performance

Injecting free-market competition will improve performance, unleash new opportunities and drive innovation within the school system.

AIF SUPPORTS:

- equitable funding for public charter schools.
- performance funding that aligns resources with student accomplishment, not simply time spent in the classroom.
- successful implementation of Common Core Standards with professional development support for public school teachers and administrators.

Talent Pipeline and Economic Development

Creating the talent pipeline should be a major focus of the Florida Legislature this session. Promoting the talent pipeline will help ensure the competitiveness of Florida.

AIF SUPPORTS:

- creating a comprehensive higher education plan for the state of Florida.
- providing institutions with proper incentives that more closely aligns degree programs and baccalaureate production to the needs of Florida's businesses, entrepreneurs and innovators by closing the talent gap.
- allowing private institutions to compete for state funding for dual enrollment, as current law only allows state universities and colleges to be eligible for state reimbursement per Full Time Enrollment (FTE).

Funding

AIF SUPPORTS the smart investment of state resources into the production of baccalaureate degrees to help thousands of Florida residents' access quality higher education. The Legislature should focus state resources toward the development of a skilled workforce for Florida businesses, employers and entrepreneurs. Florida's nonprofit institutions within the Independent Colleges and Universities of Florida (ICUF) produce 22%-25% of all baccalaureate degrees annually in Florida.

AIF SUPPORTS encouraging more state investment



AIF CEO Tom Feeney is joined by Paul Anderson with Port Tampa Bay, Kevin Lynskey with Port Miami, Bill Lane with U.S. Global Leadership Coalition and Matt Ubben with Floridians for Better Transportation on a panel at the Building Florida's Future meeting in Tampa.

into this system by increasing per student funding for the Florida Resident Access Grant (FRAG) to \$3,200, as it demonstrates one of the strongest returns on investment for the state's higher education system.

Science, Technology, Engineering, Mathematics and Medical (STEMM)

Emerging industries are important to Florida's economy. To continue the building, development and relocation of businesses employing such high-technology workers, we must produce the workforce that fills the needs at every level, from undergraduate to graduate degrees.

AIF SUPPORTS:

- defining STEMM degrees to include medical professionals seeking high-technology degrees such as nurse practitioners, physician assistants, biotechnologists and others. This should result in high-wage salaries for thousands of new entrants into the workforce in these areas.
- encouraging the production of workforce in STEMM program degree graduates.
- identifying matching grant programs to encourage and incentivize our private institutions of higher education to increase the degree production in STEMM careers—another smart investment by the state.

Online Education

Florida has many unique options in constructing a quality and viable distance education plan for the future; public and private universities should partner to maximize resources, and increase access to higher education and the production of degrees in targeted industries.

AIF SUPPORTS:

- opening up distance education choices and ensure cost-effective programs succeed, not by reinventing the wheel, but by recognizing online systems already in place by SACS-accredited, independent institutions.
- establishing a cooperative venture to oversee and promote distance education which offers every interested and committed Florida SACS-accredited higher education institution the option to join in a strategy to reach more Florida students with better learning options and opportunities delivered online.
- creating a focus group for the cooperative venture on associate and bachelor degree production, and be comprised of two representatives, each from the Board of Governors, the Florida College System, the Governor's office, and from independent colleges and universities.

Accountability

AIF SUPPORTS accountability in higher education and promoting student outcomes. The Legislature should:

- create a taskforce to identify outcomes, which measure the quality of degree offerings of higher education institutions.
- consider student population and demographics when identifying the appropriate measurement of student outcomes and performance.

Energy

Over the past decade, the United States has undergone an energy renaissance that has propelled the U.S. into the position of world's largest energy producer. The U.S. has surpassed Russia as the largest natural gas producer and is expected to produce more oil than Saudi Arabia by 2020. This newly attained energy security has directly benefitted consumers with annual savings of about \$550 per year in gasoline purchases and over \$1300 per household due to lower natural gas prices. Lower natural gas prices continue to offer growth in Florida's manufacturing sector. America's new found energy security has had environmental benefits, as well. The United States leads the world in the reduction of carbon emissions, which greater use of clean-burning natural gas has driven to 25-year lows in the power sector. Florida has been a leader in conversion to natural gas utility production and introduction of renewable sources of energy. In addition to conventional energy production, renewable energy has surpassed conventional energy in new construction (by 11,870.5 Megawatts in 2015) across the U.S.

AIF led Florida's business community to engage in the energy debate. We have long supported the development of supply options leading to diverse, reliable and reasonably priced energy resources, with minimum government intervention, and promoted an economically balanced and varied mix of energy sources consistent with prudent environmental policies. Recent access to large supplies of domestic natural gas supplies has mitigated many of the previously perceived vulnerabilities in Florida's electricity generation mix. While the demand for electricity will continue to grow over the next few years, a sustainable and common sense energy mix will be critical for the success of Florida's business community. All sources of energy—nuclear, clean coal, natural gas, oil and renewable varieties—should be supported and encouraged within a competitive marketplace. Affordability, sustainability, and reliability must continue to guide the evaluation of all potential energy sources. The game changing capability of our domestic energy resources



Florida Lt. Governor Carlos Lopez-Cantera gives AIF members an update on issues important to Florida.

are important to America's workers, to the environment and to our future security.

AIF SUPPORTS efforts by the Legislature to promote energy efficiency and conservation through cost-effective incentives. **AIF OPPOSES** any legislation that expands incentives for individuals that result in long term, higher energy prices for all other customers.

Onshore Exploration and Production

Onshore exploration and production in Florida is a valuable contributor to state's economy and tax base. **AIF SUPPORTS** maintaining appropriate permitting laws to protect the environment, to enhance efficiency between industry and the state and to ensure appropriate standards are clearly communicated. Further, **AIF SUPPORTS** that the regulatory permitting and zoning authority associated with oil and natural gas exploration and production be maintained solely by the state. Onshore oil and gas production in Florida can be performed safely while fully protecting water resources and the environment. **AIF OPPOSES** bills or regulations that prohibit well stimulation techniques or hydraulic fracturing and that limit technological advances.

Expansion of Infrastructure for Affordable and Reliable Energy

AIF SUPPORTS the building of the Keystone XL, Dakota Access, Sabal Trail and future pipelines that provide safe,



The 2016 Florida Water Forum brought together Florida's policy leaders in the legislature and state government to continue the discussion about the on-going, critical water issues facing our state.

cost-effective energy infrastructure across the country. Further, **AIF SUPPORTS** any legislation that facilitates environmentally responsible construction of natural gas and liquid fuel pipelines to enhance energy reliability and affordability for Floridians. Completion of the Keystone XL pipeline will bring five million additional barrels per day to Gulf Coast ASK refineries—the same facilities that refine the gasoline, diesel, and jet fuel powering Florida's economy today. In addition, construction of clean-burning natural gas and electricity generating facilities necessitates construction of pipelines to facilitate the safest and most environmentally responsible transport of increased supplies of natural gas to meet the future demand.

Repeal of Oil Export Ban Policies

AIF SUPPORTS the repeal of 1970's policies banning the export of domestically produced crude oil. More than a dozen studies—conducted by experts ranging from the Congressional Budget Office (CBO) and Government Accountability Office (GAO) to Columbia University and Harvard Business School—project that lifting the '70s-era ban will generate significant economic and security benefits for American families. As the world's leading oil and natural gas producer, energy should be a key tool in America's diplomatic arsenal. Adding more American energy to world markets will further stabilize global supply, counterbalance disruptions and reduce the power that foreign suppliers have over our allies.

Opposition to Proposed Expansion of U.S. EPA Air Regulations

Florida Department of Environmental Protection (FDEP) data indicates Florida's ambient air quality has improved

dramatically over the past two decades. Ozone and fine particulate matter, two of the major air quality indexes monitored by the FDEP and U.S. Environmental Protection Agency (EPA), have been comfortably within limits of the already tight standards. The downward trends of these two indices are expected to continue as companies adopt new technologies that enhance efficiency while reducing emissions. **AIF OPPOSES** proposals by the U.S. EPA for additional reductions in the National Ambient Air Quality Standards ozone levels and further reductions in methane emissions. These proposals will add unnecessary costs to industry while offering nominal health benefits.

Pollution Notification

Floridians should have timely information when pollution threatens drinking water. To avoid confusion and misinterpretation of the message, any necessary communications to Floridians about these threats requires a single source in a consistently structured message. **AIF SUPPORTS** any legislation or rule that encompasses timely notification by emitters of pollution with the FDEP and the subsequent evaluation and dissemination of the threat level by the FDEP through appropriate communication channels to affected Floridians. **AIF OPPOSES** legislation which requires businesses to report incidents directly to the media.

Expansion of Natural Gas Fleet and Alternate-Fueling for Transportation

Hydraulic fracturing has provided new domestic supplies of natural gas and an alternative to diesel and gasoline for fleet transportation fuel. **AIF SUPPORTS** the continued funding of the Natural Gas Fuel Fleet Vehicle

Rebate Program that has been successful in converting fleets to natural gas while ensuring the State Transportation Trust Fund remains funded at adequate levels for road construction and maintenance. Emphasis should be placed on continued support for policies leading to the further success of natural gas as an alternative fuel—an alternative that does not require mandates for success. AIF also **SUPPORTS** the continued expansion of natural gas fleets including ships and barges, as well as the continued expansion of infrastructure and funding of electric vehicles, both for public and private use.

Clean Coal Technology

AIF SUPPORTS efforts to revisit clean coal technology as a source for reliable, diverse and reasonably priced energy. According to the U.S. Department of Energy, “Clean Coal Technologies—the products of research and development conducted over the past 20 years—have resulted in more than 20 new, lower-cost, more efficient and environmentally compatible technologies for electric utilities, steel mills, cement plants and other industries.” The state and nation should not pass up opportunities to contribute to advancing the knowledge and science of using America’s more abundant energy source in an environmentally acceptable way.

Offshore Exploration and Production of Oil and Natural Gas

AIF SUPPORTS seismic testing in the Atlantic Ocean and Eastern Gulf of Mexico to ascertain the volume and location of future sources of oil and natural gas. **AIF SUPPORTS** the passage of legislation that establishes a process by which the State of Florida can begin considering proposals for safe, offshore drilling in federal and state waters. Florida’s economic recovery is heavily dependent on reasonably priced and reliable sources of petroleum. Florida typically consumes more than 27 million gallons of gasoline and diesel each day for transportation and generates more than half its electricity from clean burning natural gas. According to federal statistics, the U.S. federal offshore areas hold the equivalent of three times the oil resources of Canada and Mexico combined and almost six times their natural gas resources. Allowing safe and environmentally-sensitive access to these resources in state and federal waters, while at the same time ensuring our oceanic military ranges and areas remain intact, is in our national interest as a means of improving energy security, diversifying supply and enhancing economic development. Additionally, it can also serve as an important and much-needed method for generating new revenues and jobs for Florida.

Renewable Energy

AIF SUPPORTS energy policy allowing for the research, development, and distribution of alternative energy fuels without mandates by government that lead to market distortion, uncertainty, and upward price pressures. Domestically produced alternative fuels are key elements to America’s future energy security; however, state and federal mandates, such as the federal 2007 Energy Independence and Security Act (EISA), have distorted transportation fuel markets and annually introduce fuel uncertainty. **AIF SUPPORTS** investment in university research and development into promising renewable and clean energy technologies. AIF also **SUPPORTS** memorials repealing alternative fuel mandates (EISA).

AIF SUPPORTS legislation that will enable interested electric utilities to develop renewable energy resources using the technology (solar, wind, biomass, battery, etc.) and scale (large, medium, small) that makes the most sense for those electric utilities and their customers. This would allow both the electric utilities and other suppliers in the renewable sector to make market-based decisions to deploy renewable and distributed energy resources to meet customer needs in a cost-effective manner.

Environment & Agriculture

Environment and agriculture issues are very important to AIF members as they have a direct correlation to many of Florida’s key industries. Environmental laws affect almost every Florida business directly or indirectly. Agriculture is one of Florida’s main industries, which is why AIF formed its Environmental Sustainability & Agriculture Council. We must be good stewards of our land and water resources, and AIF and its members will lead the way in protecting those resources.

Agriculture Water Funding

AIF SUPPORTS continued full funding of the Office of Agricultural Water Policy within the Florida Department of Agriculture and Consumer Services (FDACS).

Alternate Water Supply Funding

AIF SUPPORTS state funding for alternative water supply projects. When planning for Florida’s future, our state must have an adequate supply of water. Unless we begin to fund and build new water infrastructure that provides a sufficient amount of water to all users, we will not be in



Governor Rick Scott greets members at the AIF Legislative Reception.

a position to meet future demand. It takes seven years to plan, design, build and permit a new major water facility. Experts have consistently opined that alternative water supply projects are our state's best bet to achieve water security including reclaimed water projects, desalination plants, aquifer storage and recovery, reservoirs, water conservation, and similar tools. Those states with adequate water supply will have a head start on economic development and jobs in the future.

Citrus Research Funding

AIF SUPPORTS \$8 million in state funding for research into the causes and cure of citrus greening disease. The citrus business is a significant player in our state's agricultural industry, even as it continues to suffer losses from greening. This is a critical time to sustain research to defeat citrus greening disease.

Agriculture Sales Tax Exemption

AIF SUPPORTS the expansion of sales tax exemptions on items used in the production of agricultural products including fence materials, trailers used by farmers and those trailers specifically dedicated to moving agricultural products and other items integral to farm operations.

AIF SUPPORTS clarification of sales-tax exemptions for animal health products used in agricultural production.

Rural and Family Lands

AIF SUPPORTS Commissioner of Agriculture Adam Putnam's budgetary request for \$50 million for the Rural and Family Lands Protection Program here in our state.

The Rural and Family Lands Protection Program is a preservation program designed to protect important agricultural lands through the acquisition of permanent land conservation easements.

Pollution Notification

AIF SUPPORTS the FDEP's role as the recipient of notifications regarding incidents from the regulated community. The Department has the experience, expertise and ability to determine potential impacts from any reported incidents, as well as maintaining information for interested parties to receive notifications. **AIF OPPOSES** legislation which requires business to report incidents directly to the media.

Springs Recovery Legislation

AIF SUPPORTS funding sound science-based programs and projects to improve the water quality and water quantity of Florida's major first-magnitude springs. Florida has an outstanding water quality tool box with the Total Maximum Daily Load Program and the requirements for Minimum Flows and Levels. We support legislation which will use these sound scientific techniques on a water body specific basis, rather than a one-size-fits-all approach. We support reasonable deadlines to implement these programs by state and water management districts. We support Governor Scott's proposed \$50 million funding for the Springs Recovery efforts. We endorse efforts by farmers to use "Best Management Practices" developed by the FDACS as a means of reducing the impact of their operations on the environment.

Lake Okeechobee and Everglades Restoration

AIF SUPPORTS sound science-based, economically and technically feasible solutions to abate harmful discharges to coastal estuaries, improve water quality within Lake Okeechobee and maintain healthy water flows into the Everglades.

AIF SUPPORTS the following project and programmatic objectives below to achieve the restoration goals:

- the completion of the numerous projects including water storage and treatment areas contained within the Comprehensive Everglades Restoration Plan (CERP), as well as projects contained in the Northern Everglades/Lake Okeechobee Protection Plan; and
- the use of both deep well injection and Aquifer Storage and Recovery which can alleviate much wet-weather discharges from Lake Okeechobee and local drainage basins.

Water Storage

AIF SUPPORTS legislation which allows land owners to continue to have their property classified as “agricultural” if they are participating in a water retention program sponsored by a water management district. Water retention and storage are vital to expanding Florida’s water supply. Through its Florida H2O Coalition, AIF has supported legislative efforts to increase Florida’s water supply. AIF also endorses efforts to allow the owners of surface water storage projects, which provide water resource benefits, to be eligible for consumptive use permits for 50 years.

Septic System Pollution Remediation

AIF SUPPORTS legislation which authorizes and funds the FDEP to administer a grant program enabling the transition of septic tanks to waste water treatment systems specifically within areas discharging into Lake Okeechobee, the Indian River Lagoon, or the St. Lucie or Caloosahatchee watersheds.

Reclaimed Water Legislation

AIF SUPPORTS legislation which encourages and provides adequate incentives for greater utilization of reclaimed water where appropriate, as well as technically and economically feasible as an alternative to traditional ground and surface water sources.

Fertilizer Ordinances

AIF SUPPORTS legislation addressing the patchwork of inconsistent, unscientific and arbitrary county and municipal ordinances related to the fertilization of urban turf, lawns and landscapes. AIF will continue leading efforts

to ensure sound science is the foundation of fertilizer use policies to protect our environment and provide predictable guidelines for residential users and businesses to operate without having to navigate through arbitrary and emotionally-driven local government ordinances.

AIF SUPPORTS strengthening the FDACS leadership on the development and adoption of science-based best management practices for fertilizer, nutrient and irrigation management on agricultural operations.

Recycling

AIF OPPOSES any legislation which creates new taxes on plastic products to help pay for recycling efforts. This tax is unnecessary as a majority of Florida’s cities and counties have an excellent curbside recycling program. Forcing Florida’s families to pay even more at stores with no substantive improvement in our environment does not make economic or environmental sense.

AIF SUPPORTS efforts to increase and incentivize curbside recycling programs at the local government level.



AIF’s Senior Vice President of State and Federal Affairs, Brewster Bevis, addresses attendees at the AIF Pre-Session Briefing and provides an outlook of the upcoming Legislative Session.



Sen. Tom Lee speaks at the AIF Session Briefing.

AIF will urge the Legislature to encourage institutions of higher education to include technological advances in degree curriculum and recognize that private institutions of higher education contribute in a significant manner to those health care professionals who serve our residents.

Telehealth

Everyday Floridians are discovering how technology makes their lives simpler by giving them access to information, goods and services at their fingertips. Florida's companies are finding new ways to virtually join consumers and products, which lowers costs and eases the burden of accessibility. In health care delivery however, these advances are not currently being used to their fullest potential. Current rules and regulations have not kept up with available technology and terminology and now hamper the operation of the free market. **AIF SUPPORTS** legislation that permits an unfettered role for telehealth services that will allow our citizens access to better quality care at lower costs.

Quality and Cost Protocols

Employers rely on insurers so that their employees receive access to the most clinically effective treatments—this allows employees to be at work rather than at home or in the hospital. Currently, the many health insurance carriers in Florida—each with many different policy product offerings, containing tens or hundreds of prior-authorization and step-therapy programs—change their standards of care in real time based on the protocols advanced and adopted by a myriad of physician specialty societies, based on their latest evidence-based research. These procedures and protocols allow for the use of the safest, most cost-effective drug and permit progressing to other, more costly drugs, in accordance with FDA approvals. However, several legislative proposals have been initiated to dismantle this rational, cost-effective protocol and force insurers and consumers to purchase the most expensive drugs and treatments even when equally effective therapies are available at much lower costs. The use of specialty pharmacies, drug formularies, and cost sharing incentives are examples of benefit designs that have helped and should be permitted to continue helping patients get the care they need while keeping their coverage affordable.

AIF SUPPORTS continued flexibility for health plans to ensure consumers receive high quality, high value, and affordable care, through continued use of innovative plan designs to achieve this balance.

Health Care

A healthy and productive workforce is vital to Florida employers and the state's economy as a whole. To ensure a thriving Florida workforce, AIF will focus its efforts on proposals that seek to increase the accessibility and affordability of quality health care for Florida residents. Further, AIF will continue to encourage the Legislature to leverage available federal funding for delivering health care to more Floridians in a manner that best safeguards Florida's citizens and protects the State's financial health. The following topics represent the kinds of inventive solutions for which AIF will advocate during the 2017 Legislative Session.

Health Care Workforce

Florida is now the third most populous state in the nation; our residents reflect diversity in age, income, talent and, most importantly, needs. Almost $\frac{1}{4}$ of the state's physicians are age 60 or older and will retire or cut back their practice within the next 10 years. These statistics illustrate the need to increase our health care workforce. **AIF SUPPORTS** increasing the number of graduate medical education slots available in Florida. Other available workforce resources that are currently underutilized most be considered. AIF also **SUPPORTS** removing regulatory scope of practice obstacles for qualified health care professionals to ensure greater access to quality care for a larger number of Floridians at more affordable costs. Further,

Insurance

Florida's post-recession rebound and corresponding population growth has contributed to increasingly dynamic insurance markets. With more people and more buildings comes more risk, and an ever-present need to attract capital to support it.

Nationally, health insurance remains at the forefront of public consciousness, while state leaders have attempted to reduce regulatory burdens and respond to federal laws with market-based solutions. In Florida, legal reform stands out as the biggest, and most costly challenge for property and casualty rate payers. Its tentacles reach from attorney fee awards unrelated to benefits secured for workers' comp claimants to excessive bad faith litigation, and from third-party abuses of the policyholder-created protection of the one-way attorney fee statute to mounting pressure in the medical malpractice market that, left to the courts, is likely to pinch health care providers.

AIF SUPPORTS a responsible insurance agenda and initiatives that continue to stamp out cost drivers, increase regulatory efficiency, and foster stability for the benefit of the insurance-buying public.

Workers' Compensation

Florida is in the throes of a workers' compensation market crisis due to rulings released by the Florida Supreme Court and appellate courts this past summer. The Florida Supreme Court's rejection of an attorney fee schedule, whereby claimant attorneys are paid based on the actual value created for their clients, has caused the number of petitions for benefits to climb, and is fueled by the opportunity for these attorneys to secure unchecked amounts of fees. In addition, the court system has recently held that attorney fee agreements between claimants and their counsel cannot be reviewed for reasonableness, meaning claimants may be induced to make agreements that leave them with very little in the way of benefits to ameliorate their disability. Additional attempts to hold other portions of the workers' compensation law unconstitutional have also been successful, chipping away at the balance achieved in 2003 for claimants, their employers and those employers' carriers.

Consequently, the Office of Insurance Regulation recently approved a nearly 15% workers' compensation rate increase on all Florida businesses. While the trial bar's challenges mount to the actuarially-indicated and peer-



reviewed rate filing, the rate increase will squeeze Florida businesses until balance can be restored and attorney compensation is again linked to actual benefits secured.

Following the series of legal blows to the business community and their employees this past summer, AIF assembled a broad-based group of employee, employer, provider and insurer representatives to tackle alternatives to the currently unchecked legal climate. As a result, AIF has released a series of recommendations—from reestablishing equity in attorney's fees to protecting injured workers' private information from being surreptitiously used to deplete their benefits—and will work tirelessly this session to advocate for the re-establishment of the balance achieved post-2003, which led to a near 50% reduction in insurance rates for the business community.

AIF SUPPORTS lowering attorney fees in workers' compensation litigation. The great majority of employees, employers, providers, and carriers want a system that works for all, instead of for a niche market of attorneys.

Capital Attraction and Support of Florida's Risk Bearers

Florida's growth, coupled with the strain caused by legal and other challenges, underscores the need for Florida to attract as much capital as possible to support our state's risk.

Efforts to stymie private capital will be met with resis-

tance by AIF. This includes attempts by some to expand the size and scope of the Florida Hurricane Catastrophe Fund, which sends an unfortunate signal to private reinsurance markets that their capital is unwelcome. It similarly includes attempts to place undue restrictions on a surplus lines market that **SUPPORTS** our peninsular state's tremendous need for underwriting large, niche and more fragile risks. Unquestionably, it also includes any legislative effort to increase taxes on insurance companies



Governor Rick Scott addresses AIF members at the 2016 Annual Conference.

who employ thousands of Floridians, which is a double blow to capital attraction and employment.

Simply put, the business community is unable to take risks when they cannot purchase insurance to help guard against it. AIF is unwavering in its commitment to attract capital to underwrite risk, and will resist all attempts to make it more difficult, more expensive or less available for Florida's employers. Similarly, anything that raises taxes, jeopardizes employment or rebuffs the economic contribution made by risk bearers to our state must be defeated for the benefit of Florida's business climate, on which hard working families statewide rely for their own success. **AIF OPPOSES** policies that make it more expensive, less attractive or more difficult to attract and appeal to those that support capital formation and risk in our state.

Automobile Insurance

Automobile insurance is another market where legal abuse abounds. Although 2012 legislation stabilized the personal injury protection market, the trial bar continues to challenge its soundness. On the bright side, the outlook for a statewide ridesharing solution is positive in 2017, which will pave local regulatory hurdles for ridesharing companies and also provide sensible measures—including insurance coverage standards—for the safety and benefit of ridesharing passengers.

AIF SUPPORTS smart reforms to Florida's automobile insurance market that address unchecked litigation, which adds costs for policyholders, and ensures the safety and availability of ridesharing services for Florida's passengers.

Rental Car Liability

Given AIF's historic commitment to promoting Florida as the best state in which to live, work, and play, proposals that could hinder or impede services to tourists must be carefully scrutinized. Previously, legislation subjecting rental car companies to higher minimum financial responsibility levels—essentially increasing liability for their customer's actions—was appropriately rejected. This legislation also sought to impose higher financial responsibility requirements on tourists who reside in other states or countries. Given the punitive effects on tourists and the rental car companies who support Florida's tourism industry, AIF will continue to **OPPOSE** these higher financial requirements which are at the expense of tourism industry stakeholders.

Property Insurance

The abuse of the one-way attorney fee statute in relation to the "assignment of benefits" mechanism has spawned a

relatively new creation of litigation over auto glass repairs and property water damage. Sadly, these legal abuses are perpetrated by a handful of plaintiff's lawyers and vendors who, working together, strip benefits away from policyholders and use these to force higher settlements from insurers, and even go so far as to sue in the name of the policyholder, often without the policyholder's full and informed consent. **AIF SUPPORTS** reforms to the assignment of benefits process to protect consumers against these abuses.

Citizens Property Insurance

Citizens Property Insurance Corporation has consistently reduced its policy count; a nod to sound, free-market reforms enacted by legislative and executive branch leadership. As such, the risk of assessments to all Florida policyholders—individuals and businesses alike—has been minimized. Unfortunately, segments of certain industries have devised schemes to contrive or increase the price of repair work for non-catastrophic claims.

These claims typically involve an assignment of benefits, which strips the policyholder of their benefits, and are then given, oftentimes irrevocably and in total, to a third party. Such "assignments of benefits" have created a wave of litigation, unseen even during periods of natural disaster. This wave has now reached tsunami like status and is causing attrition from the private market back to Citizens and putting stress on Florida's residual market. Like many of the legal abuses discussed above, this too is concentrated in a small amount of law firms and vendors who scheme to manufacture losses or who use a policyholder intended benefit—the one-way attorney fee statute—for their own economic gain. Neither Citizens nor private companies are immune from the mounting pressure.

AIF is unwavering in its call for legal reform, which is benefitting a small minority of plaintiff's attorneys at the expense of Florida's consumers. In an effort to control spiraling costs and the resulting adverse impact to Florida's residual market, **AIF SUPPORTS** reforms that will eliminate the abuses of policyholder's protections by lawyers and vendors.

IT Governance

Investment to Modernize Florida's IT-Based Systems

AIF SUPPORTS the continued need for investment in Information Technology (IT) and the modernization of Florida's outdated systems and processes. IT should be viewed as an investment in the future of Florida. Our citi-

zen-facing systems including web portals and call centers are stove-piped, woefully inadequate and outdated. Many of the state's core systems are decades old and unsustainable.

AIF SUPPORTS technology investments that focus on better and more efficient IT components. We believe this approach is key to efficient government and effective services for Florida's taxpayers. The citizens of our state deserve more than cobbled-together outdated systems that run on obsolete hardware and software.

AIF SUPPORTS the need for positive returns on the state's investment. The measured "return" should include the positive impact of user-friendly systems, the positive benefit to Florida's economy and the mitigation of the future failure of unsustainable systems.

Investment in Technology, Personnel and Best Practices to Protect State Assets, Systems and Data

AIF SUPPORTS further investment by the State of Florida to protect state assets, systems and data.

A significant cyber-attack on our state could have devastating results far beyond a data breach. First responder systems, corrections systems, public assistance systems, food inspection systems, health care systems and many others could be impacted with catastrophic result.

We applaud the investment made by the Legislature last year to begin agency security assessments. AIF believes that additional funding should be made available so that all agencies can complete rigorous security assessments. Further, assessments without action and funding to remediate deficiencies is fundamentally a waste of taxpayer dollars. We strongly encourage adequate funding to take appropriate steps to protect Florida from cybersecurity attacks.

AIF is concerned that budgetary constraints are putting Florida at undue risk. The time to make prudent investments is now—not after a major attack.

Reform of Contracting and Procurement

AIF SUPPORTS the reform and modernization of Florida's contracting and procurement processes, especially as related to information technology products, services and complex projects.

State Term Contracts

Florida's state term contracts for IT-related products and services are outdated and need to be completely restructured. The current structure of state term contracts blocks vendors from doing business with the State of Florida for years at a time, discourages IT firms from expanding and relocating to Florida and impedes high-tech job growth in

Florida. These contracts essentially create “vendor pools” that are eligible to sell to Florida agencies and other entities that utilize the contracts. These contracts are generally in effect from two to eight years and do not allow new vendors to be added during the contract term.

AIF believes that Florida should implement a vendor registration system for state term contracts. The current process of determining the vendor pool via a competitive bid process has not worked well and should be eliminated. Instead, vendors should be able to register at any time rather than having to wait years for the state to issue a new state term contract. Under this approach, when vendors register, they would agree to abide by the terms of the state term contract, attest to legal requirements such as being registered with the Division of Corporations to do business in Florida and provide references.

This approach will broaden competition, drive better pricing and decrease the administrative burden of issuing Requests for Proposals (RFPs) or Invitations to Negotiate (ITN) to establish state contract vendors. It will also encourage (rather than discourage) vendors to do business with the State of Florida, promote business investment in Florida and support high-tech job growth in Florida.

AIF further believes that state term contracts should be required by the Department of Management Services (DMS) for certain type of IT products and services. At a minimum, these should include: IT consulting services, management consulting services, staff augmentation consulting services, cloud services, independent verification & validation (IV&V) services, commercial off-the-shelf (COTS) software, and computer hardware. Alternate contract sources should be allowed to be used if needed to expand the competitive field when a state contract is not available or when an RFP or ITN is not practical.

AIF believes that agencies should be able to issue competitive RFPs and ITNs at their discretion without regard to whether or not a state term contract is available in that ITNs and RFPs are always the most open and most competitive type of procurement vehicle.

Invitations to Negotiate (ITN)

ITNs are typically used by agencies for large and complex projects. They allow agencies to evaluate and score vendor proposals using predefined and weighted evaluation criteria. Agencies then choose one or more vendors with which to negotiate. After the negotiation process, the agency then awards the contract to the vendor that is determined to offer the “best value” to the State of Florida.

It is these large and complex projects that all too often fail completely or end up over schedule and over budget due to change orders, and not living up to promises and

expectations. This happens, in part, due to poor contract awards.

AIF believes that the current process for determining “best value” is too vague and that it should be clearly defined and consistent across all agencies. Currently, negotiators essentially “vote” for a vendor who in their opinion represents the “best value.” This is an unreasonable expectation of state negotiators and is not an effective or prudent way to protect taxpayer dollars.

AIF SUPPORTS the continued use of ITNs for large and complex projects, but believes that significant improvement is needed in the methodology and process for determining “best value” and awarding the contract.

Further, **AIF SUPPORTS** the current process that defines criteria points and weightings in order to evaluate and score the original vendor responses to determine a short list of vendors that are eligible to negotiate. AIF believes that the same criteria and weighting should be consistent throughout the evaluation and negotiation process and serve as the basis for determining the vendor that provides the “best value.” Thus, once all negotiations are completed and all changes to the original responses resulting from the negotiations are received in writing, the responses should be re-scored in accordance with the original criteria points and weightings. When the technical responses are rescored and posted, the sealed, best and final offers (BAFO pricing) would then be opened and scored consistent with the original weightings. Taking into account the rescored technical bid and rescored pricing, the highest scoring vendor would then be determined as the “best value” and be awarded the contract.

AIF believes that a defined methodology for determined “best value” will result in more successful projects and better investment of taxpayer dollars.

Legal & Judicial

Florida’s low taxes, beautiful weather, and growing population make it a top place for businesses to grow and thrive. Unfortunately, those conditions must be footnoted by Florida’s litigious culture. Although steps have been made to improve this, there are still several very significant looming tort threats that strangle Florida’s ability to surpass states like Texas in job growth and development.

Florida’s businesses need a clear and level playing field in the courtroom. AIF will fight for any legal reform that decreases the cost of litigation and removes unfair and unpredictable barriers to growth. Businesses must know

that Florida is looking to cultivate a healthy and prosperous arena for commerce to thrive. AIF will continue to lead the charge on legal reform by engaging in the following specific issues.

Accuracy in Damages

AIF SUPPORTS legislation to address accuracy in medical damages. In personal injury cases, the most significant factors in the amount awarded to a plaintiff for economic damages are often medical expenses. Under current law, a plaintiff can artificially inflate medical expenses because only the amount billed is admissible as evidence at trial. The amount that is billed is not necessarily the amount that has been accepted as payment in-full for the medical services rendered. There is also no provision in current law to ensure that medical treatments are indeed “medically necessary.” Florida law should require that if medical expenses have already been paid, only evidence of the amount actually paid for medically necessary treatments should be admissible at trial. In addition, Florida law should recognize common sense evidentiary principles, such as allowing a trier of fact to hear factors such as reasonableness, necessity, and customary charges for future treatment.

Fair Settlement Reform

AIF SUPPORTS legislation establishing a 60-day period during which an insurer may investigate and, if warranted, tender policy limits to settle a liability claim. An offer of policy limits within 60 days should be legally sufficient to demonstrate a “good faith effort” by the insurer to settle a liability claim on behalf of its policyholder and bar a bad faith cause of action.

An unbalanced civil justice system in Florida dampens the ability of employers to recover from the economic downturn and create new jobs. Increased civil litigation directly costs businesses through increased premiums for liability and automobile insurance and indirectly through management and employees’ time diverted to lawsuits. One of the most egregious abuses in the system is denying a business and its insurer a reasonable time to settle a liability claim without litigation.

AIF believes that in order to grow and expand, businesses need a vibrant and competitive insurance market to help protect them against risks that could undermine such progress. Without a process in place to fairly and clearly settle claims, competition for businesses in the purchase of insurance will never truly be optimal.

Attorney Fee Reform

AIF SUPPORTS all efforts to inject common sense into Florida’s litigation system through attorney fee reform. At-

torney fees are lucrative in Florida, which is fuel to the fire of the overly litigious environment confronting Florida’s businesses daily. Whether it’s the one-way attorney fee designed for policyholders that is now being manipulated by third party vendors to drive up property and auto insurance costs, or the concerted effort by the trial bar to overturn statutes that require attorney fees to bear a rational relationship to the success garnered for a client, Florida’s businesses are plagued by a growing number of legal schemes that make life more costly for consumers. Much of this fire is directed toward the insurance marketplace—be it in workers’ compensation, auto or property, or medical malpractice. (See the Insurance section.) Although the cost of all of this is borne by Florida’s employers, AIF will remain vigilant in its legislative advocacy of fair legal and attorney costs.

Court Reforms and Judicial Activism

AIF SUPPORTS legislation to clarify that in determining whether a statute or a rule governs a certain legal principle, that the Legislature intended for the statute to supersede the rule and that deference be given to the statute by the court. For example, in the recent case of *Diamond Aircraft Industries, Inc. v. Alan Horowitz*, Florida’s Supreme Court found that an offer of judgment is not valid under *Florida Rule of Civil Procedure 1.442* if it does not meet the strict requirements of that rule, even though the statute provides a broader interpretation. Activism on behalf of Florida’s courts to negate legislative action only ensures that our legal precedents will continue to negatively impact our business climate.

Claims Bills

AIF OPPOSES claims bills that attempt to expand current law to create new—or modify existing—legal precedents and causes of action for the benefit of trial lawyers. In recent years, claims bills have been brought forward in an attempt to sidestep the legislative process and allow pursuit of claims against businesses instead of governmental entities. AIF has led the charge to ensure these bills are not passed, the parties at fault are culpable, and the claims are not simply aimed at the “deep pockets.”

Ethics and Elections

AIF will monitor all proposals related to public ethics and elections and advocate as necessary to protect the rights of individuals and businesses to redress legislative and executive branch policy makers.

Prejudgment Interest

AIF OPPOSES legislation that will increase the already



Expert panel provides information and analysis to attendees of the 2016 Water Forum.

daunting costs of litigation on Florida’s businesses. Mandating that prejudgment interest be awarded on economic and noneconomic damages recovered in all personal injury cases would drive the cost of litigation and force defendants to pay greater damage amounts due to delays within the court process that could be un-attributable to their actions. Prejudgment interest is already awardable in any personal injury case at the discretion of the judge. Therefore, statutory proposals that seek to create a complicated framework for calculating prejudgment interest will add costs, prolong cases straining judicial resources and incentivize litigious behavior. Creating a standard prejudgment interest calculation on personal injury judgments will further solidify Florida’s reputation as a “judicial hellhole.”

Auto Dealer Franchise

AIF OPPOSES legislation that would intervene in any contractual agreement between a dealer franchise and an auto manufacturer, voluntarily entered by each party, and dictate new terms and conditions of such mutual agreement that favor one party over the other. Legislation enacted over the past twenty years has successfully given auto dealers extensive additional rights, continuously crippled automobile manufacturers’ contract rights and increased costs to consumers.

Frye to Daubert Standard for Expert Witness Testimony

AIF SUPPORTS moving to the higher standard established by the *Daubert* case for admissible expert wit-

ness testimony. During the 2013 Legislative Session, the legislature chose to move Florida from the *Frye* standard for expert witness testimony to the *Daubert* standard. The Florida Bar Board of Governors is considering whether Florida should adopt into the evidence rules of procedure, the law changing the standards for qualifying expert witness testimony. The higher standard of *Daubert* will ensure that expert witness testimony is accurate and unbiased and will align Florida with the standard adopted by most other states. Adopting the *Daubert* standard will provide stability and predictability to businesses in Florida or looking to do business in Florida. In addition, adopting the *Daubert* standard discourages forum shopping because Florida law currently allows for less credible expert witness testimony to be admitted into evidence.

Manufacturing, Aerospace & Defense

As the state affiliate for the National Association of Manufacturers, AIF is committed to providing a member venue to discuss and advance the interests of Florida’s manufacturing community in all sectors.

Florida's manufacturing sector is the highest indirect job creator of any employment sector in the state—with three indirect jobs created for every manufacturing job. In other words, Florida's roughly 325,000 manufacturing jobs create nearly one million additional jobs for Floridians. The state's manufacturing sector is also a significant provider of high-wage and high value-added jobs. Florida's need to grow manufacturing jobs is unquestionable as our state continues to diversify its economy.

Now in its sixth session, AIF's Manufacturing, Aerospace & Defense Council (MAD) has established itself as an effective advocate for pro-manufacturing policies. In 2013, the Council was instrumental in passing the "Manufacturing Competitiveness Act"—legislation that has given Florida manufacturers the ability to effectively respond to national and world market opportunities and effectively moved Florida into a more competitive recruiting position among states seeking to reinvigorate the manufacturing sector of their economy. Additionally, this Council played a key role in passing a permanent elimination of sales tax on manufacturing equipment during last year's session—a change that has benefited Florida's manufacturers as they have reinvested to grow their businesses. In 2017, the MAD Council will look to build on its successes by **SUPPORTING** the following actions:

- repealing the tax imposed on commercial leases;
- creating capital investment incentives for the sector, including tax credits for research and development;
- continuing state efforts to enhance the manufacturing workforce by expanding access to manufacturing career academies for middle and high school students;
- renewing the Qualified Defense & Space Contractor Tax Refund; and
- allowing local governments to consider jobs retained in the same manner they consider jobs created from capital investment to existing businesses when approving property tax abatement.

Taxation

Sales Tax on Energy

AIF SUPPORTS reducing the state sales tax on commercial electricity and gas consumption. Reducing this expense is a good way to make Florida more attractive for businesses to locate in the state.

Corporate Income Tax

AIF SUPPORTS Governor Scott's proposal to permanently eliminate corporate income tax on manufacturing and retail businesses. The elimination of this tax will reduce the cost for businesses in Florida by about \$770 million annually, attract more businesses to the state, and diversify Florida's economy by helping more businesses succeed. In addition, this proposal provides an excellent incentive for businesses to expand in Florida and for companies looking to relocate here. AIF continues to **OPPOSE** any structural changes to the corporate income tax such as combined reporting or the "throwback" rule or any other "loophole" issues.

Commercial Lease Tax (Business Rent Tax)

AIF SUPPORTS an incremental reduction of tax imposed on rental or license fees charged for use of commercial real property and/or the elimination of the double taxation that occurs when a tenant pays its landlord's property taxes. Florida is the only state that charges tax on the lease of commercial property; and while this is a major part of the state's tax revenues, it needs to be gradually reduced and eventually eliminated to make Florida more attractive to business.

Property Tax Cap on Non-Homestead Property

AIF SUPPORTS a permanent 10% property tax cap on second homes and commercial property. In 2008, Florida voters approved Amendment 1 which, among other things, created a 10 % cap on the annual increase of property taxes for all non-homestead properties. However, this amendment included a sunset provision that goes into effect on January 1, 2019. **AIF SUPPORTS** a constitutional amendment to this initiative back in front of voters for renewal during the 2018 General Election.

Sales Tax Holidays for School and Hurricane Supplies

AIF SUPPORTS Sales Tax Holidays for school supplies, hurricane or disaster preparedness supplies, and veterans. This tax holiday is a win-win for customers and the state as sales tend to increase more than they would without the tax holiday.

Research and Development Tax Credit on Corporate Income Tax

AIF SUPPORTS the elimination of the \$9 million annual cap on research and development credits applied against state income tax. This credit would encourage an increase in research and development work in Florida, as well as incentivize research and development enterprises to move to the state.

Communications Service Tax—Land Line, Wireless, Cable TV and Satellite TV Services

AIF SUPPORTS continuing reductions in the state portion of the communications service tax which applies to business and wireless phone service, cable, and satellite television services. The tax rate on communications services is higher than on general sales and makes the communications services expense a significant deterrent for businesses to locate here. The reduction of the state portion is good for Florida businesses and makes Florida more attractive to companies looking to relocate.

Services Tax

AIF OPPOSES any legislation, administrative rule or proposed constitutional amendment that would attempt to create a new tax on services. A tax on any services would put Florida businesses at a competitive disadvantage and would discourage new businesses from coming to the state.

Entertainment Industry Financial Incentive Program

AIF SUPPORTS the Entertainment Industry Financial Incentive Program, including sales tax exemptions for motion picture, sound, and video equipment. This economic development program and tax exemption allows Florida to compete with other states and international locations for economic development generated by attracting feature films, high impact television and digital media productions.

Urban Jobs Tax Credit Program

AIF SUPPORTS the Urban Jobs Tax Credit Program. This program encourages economic activity and job creation in areas designated as high crime areas.

Transportation & Maritime

Transportation Trust Fund and Dedicated Funding

There are few areas of the state budget in greater need of consistent, sustainable funding more so than transportation and infrastructure. The nature of these projects requires long-term planning and funding outlays necessary to address both current and future needs for years to come. All the while, for every \$1 invested in the Department of Transportation Work Plan, nearly \$6 is returned to the state's economy; and for every \$1 billion invested in road construction and improvements, more

than 28,000 new jobs are created for Floridians.

Additionally, FDOT investment in seaports has returned \$1.76 for every \$1 invested, and that number is expected to increase to \$2.71 for every \$1 spent on seaports by 2020. FDOT investment in airports has brought the state \$1.37 for every \$1 spent, with that number growing to \$1.72 for every \$1 spent by 2020.

Economic impact and job creation resulting from investment in transportation infrastructure relies upon the security of the State Transportation Trust Fund.

AIF OPPOSES redirecting financial resources and State Transportation Trust Fund commitments to any areas other than the State Transportation Trust Fund or sweeping funds from the State Transportation Trust Fund to areas outside of transportation infrastructure.

Future Funding of Transportation Infrastructure

In recent years, the construction industry, various trade associations, and the FDOT have asked Florida policymakers to consider new and inventive ways to fund transportation infrastructure projects in the face of declining gas tax revenues for Florida. Increased fuel efficiency standards and innovations in the automobile industry have caused some to fear that this could eventually lead to a decrease to sustainable levels of funding for the Five-Year Work Plan.

AIF SUPPORTS creating an alternative solution to the state's current exclusive reliance on gas tax revenues as a means to obtain sustainable funds for state infrastructure needs. This should include a fair and equitable way for both the Federal Government and Floridians alike to support and provide financial stability across the transportation and infrastructure spectrum.

Florida Seaport Transportation and Economic Development (FSTED) Program

Under the leadership of Governor Rick Scott, Florida's seaports and the state have partnered to advance Florida's maritime industry's role in growing Florida's economy, both domestically and internationally. Through the reduction of regulations, quality appointments to port authorities and in conjunction with individual port authority directors, never before has the state utilized its port system in a way that can make Florida as competitive in the hemisphere as it is today. The FSTED Program serves as an important mechanism for seaport capital improvement projects, which is crucial to the growth of the state's port systems. Preserving this program and increasing its value to Florida's seaport partners is critical.

AIF SUPPORTS maintaining funding levels for FSTED at \$25 million, an important provision for Florida's ports.

AIF also **SUPPORTS** creating the FDOT Business Development Program as a mechanism to help educate and provide expertise to Florida's small businesses looking to do work in the Department's often complex procurement process.

Natural Gas Rebate Program

During the past several years, exploration has uncovered a supply of natural gas in the United States, resulting in a reduction in the price of natural gas and an increased interest in natural gas-powered vehicles, fuel plants, and refueling infrastructure. In 2013, the Florida Legislature took the lead in encouraging public and private sector organizations to convert their gas and diesel powered fleets to compressed natural gas (CNG), through the Natural gas fuel fleet Vehicle Rebate Program within the FDACS. The purpose of the program is to help to reduce transportation costs and encourage freight mobility investments that contribute to the economic growth of the state, by incentivizing organizations to convert their fleets through rebates.

AIF SUPPORTS the continued funding of the Natural Gas Fuel Fleet Vehicle Rebate Program, and allowing both public and private entities to reapply for additional rebates when converting their fleets to CNG when there are outstanding funds for the program at FDACS.

Transportation Network Companies (TNC)

AIF SUPPORTS statewide digital transportation service policies to create price competition, promote consumer choice, enhance customer experience, create jobs and remove anti-competitive local regulations. Transportation Network Companies, as it relates to insurance, ridesharing drivers, their passengers, and the insurers that indemnify them, will benefit from a comprehensive, statewide framework for insurance responsibilities. AIF will continue to advocate for legislation that balances the need for insurance certainty with our support for the innovation and technology represented by ridesharing companies.



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Councils bring together unique sectors of the business community in order to develop and promote issues vital to those respective industries. These Councils are the backbone of policy making at AIF as the member companies of each Council voice their issues, concerns and ideas and help develop the policies that are presented to our Board of Directors for approval.

Want to Participate?

Membership is required to participate on AIF's Councils and to receive our member communications.

Not a Member?

To learn more about AIF membership services and/or apply for membership, Please Contact: Brewster Bevis, Senior Vice President – State and Federal Affairs at **850.224.7173** or **bbevis@aif.com**

POLICY COUNCILS

	<p>AIF Builders and Developers Council (BDC) Aligning the shared interests of Florida's top residential and commercial building and development companies and establishing a major governmental affairs presence to achieve its goals.</p>
	<p>Environmental Sustainability & Agriculture Council (ESAC) Addressing recycling, water quality, product stewardship, and other environmental issues important to the business community.</p>
	<p>Florida Energy Council (FEC) Developing resources to meet Florida's future energy needs—producers, suppliers, storage facilities, marketers, retailers, wholesalers and users.</p>
	<p>Financial Services Council (FSC) Insurance and financial industries, working in concert with other interested parties, to secure a stable fiscal climate for Florida.</p>
	<p>Florida Transportation & Maritime Council (FTMC) Ensuring their continued economic prowess in a global marketplace for businesses that operate or support operations at any of Florida's 14 deep water ports.</p>
	<p>Information Technology Council (ITC) Promoting Florida's move to the cutting edge of technology—to meet the demands of a diverse, fast-growing population, while balancing the needs of the state and private sector.</p>
	<p>Manufacturing, Aerospace & Defense Council (MAD) Advancing the interests of Florida's manufacturing community to help Florida diversify its economy and provide more high-wage and high value-added jobs in the state.</p>



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AIF lobbyists, representing centuries of accumulated experience in politics and government, spent more than 10,000 hours in the Capitol during the 2016 Legislative Session advocating for your business interests.

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- Issue & Campaign Related Polling; Statewide & Local
- Political Candidate Interviews
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